

WORKSHOP AND REGULAR MEETING  
OF THE IDAHO TRANSPORTATION BOARD

October 12, 2017

The Idaho Transportation Board convened at 8:00 AM on Thursday, October 12, 2017 at the Idaho Transportation Department in Boise, Idaho. The following principals were present:

Jerry Whitehead, Chairman  
Lee Gagner, Vice Chairman – District 6  
Jim Coleman, Member – District 1  
Janice B. Vassar, Member – District 2  
Julie DeLorenzo, Member – District 3  
Jim Kempton, Member – District 4  
Dwight Horsch, Member – District 5  
Brian W. Ness, Director  
Scott Stokes, Chief Deputy  
Larry Allen, Lead Deputy Attorney General  
Sue S. Higgins, Executive Assistant and Secretary to the Board

Idaho Transportation Improvement Program (ITIP) Funding Workshop. Staff reviewed the various funding options available for the ITIP. Financial Planning and Analysis Manager (FP&AM) Joel Drake said the seven-year ITIP is under-programmed by \$118 million due to various reasons, including new revenue, the federal Redistribution of Unobligated Authority, an updated forecast reflecting higher revenue, and refinancing GARVEE bonds.

Engineering Services Administrator (ESA) Blake Rindlisbacher said federal Infrastructure for Rebuilding America (INFRA) grant applications are due early next month. Eligible projects must be ready for construction in 18 months. This program relies more on public private partnerships than the previous grant program. ESA Rindlisbacher said Transportation Expansion and Congestion Mitigation (TECM) funds are a good match for this program. Revenue from this new funding source has not been committed. Staff proposed three funding scenarios for the I-84, Nampa to Caldwell corridor, using various state funding sources and GARVEE bonds. Director Ness stressed that he believes the Department's chances of securing an INFRA grant increase if non-traditional funding sources like TECM are committed to the project.

Some discussion followed on the concept of funding corridors. In response to questions, ESA Rindlisbacher replied that no other major corridors are ready or could be ready for construction within 18 months, and potential projects will be evaluated using TREDIS to ensure the best projects are considered.

Member Kempton cautioned that there are numerous other needs that may not warrant a corridor approach that must be addressed. Member DeLorenzo expressed support to fund the I-84 corridor and added that this project is the Community Planning Association of Southwest Idaho's highest priority. Vice Chairman Gagner commended staff for the visionary approach to address corridors, particularly expensive projects.

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Member Coleman made a motion to commit FY18 and FY19 Transportation Expansion and Congestion Mitigation funds and other state funds as match for the I-84, Nampa to Caldwell corridor as part of the application process for a federal INFRA grant. Vice Chairman Gagner seconded the motion.

Member Kempton requested a resolution for the Board's consideration.

Member Coleman and Vice Chairman Gagner withdrew their motion and second, respectively.

Due to uncertainty with some of the state funds, Member Coleman recommended flexibility with the funding options. In response to Member Vassar's question, FP&AM Drake said some of the funding sources are ongoing and some, like the surplus eliminator, are set to expire in two years.

After a break, Controller Dave Tolman presented a proposed resolution. He added that when the funding is confirmed, staff will prepare a final funding plan for the I-84 corridor.

Vice Chairman Gagner made a motion, seconded by Member Vassar, and passed unopposed to approve the following resolution:

RES. NO.        WHEREAS, the Idaho Transportation Board is charged with determining the  
ITB17-45        timeframe and scope of improvements for the State Transportation System; and

WHEREAS, Senate Bill 1206 directs the Idaho Transportation Department to create a Transportation Expansion and Congestion Mitigation Program and the Board to adopt a project selection policy for the use of the program funds; and

WHEREAS, the I-84 Caldwell to Nampa Corridor is located within a Congestion Mitigation Corridor; and

WHEREAS, Department staff, partnering with Community Planning Association of Southwest Idaho staff, has performed a return on investment analysis for the I-84 Caldwell to Nampa Corridor; and

WHEREAS, the Board affirms the Department's federal Infrastructure for Rebuilding America Grant submission, I-84 Karcher Road to Franklin Boulevard Project.

*NOW THEREFORE BE IT RESOLVED*, that the Board allocates the Transportation Expansion and Congestion Mitigation Program funding for fiscal years 2018 through 2019, Strategic Initiatives Program funds for fiscal year 2018, and other state funding to improvements in the I-84 Caldwell to Nampa Corridor.

Board Minutes. Member Coleman made a motion to approve the minutes of the regular Board meeting held on September 20-21, 2017 as revised. Member Vassar seconded the motion and it passed unopposed.

Board Meeting Dates. The following meeting dates and locations were scheduled:  
November 16, 2017 – Boise  
December 14, 2017 – Boise

Consent Items. Vice Chairman Gagner made a motion, seconded by Member DeLorenzo, and passed unopposed, to approve the following resolution:

RES. NO. WHEREAS, consent calendar items are to be routine, non-controversial, self-  
ITB17-46 explanatory items that can be approved in one motion; and

WHEREAS, Idaho Transportation Board members have the prerogative to remove items from the consent calendar for questions or discussion.

*NOW THEREFORE BE IT RESOLVED*, that the Board approves the I-84, South Jerome Interchange – consultant agreement exceeding \$1,000,000; revisions to Administrative Policy 5532 Commercial Driver’s License Requirement; additions of District 6 fog seal and District 6 mill and inlay projects to FY19; a contract with CH2M Hill for funds up to \$1,800,000; and the FY17 Annual Report.

1) I-84, South Jerome Interchange – Consultant Agreement Exceeding \$1,000,000. Staff requests approval to exceed the \$1,000,000 limit for JUB Engineers Inc. to work on the I-84, South Jerome Interchange project, key #19338. The consultant was selected in 2016 to design the three-phased project. Phase I included a value engineering/concept study to select a preferred alternative and determine the level of environmental evaluation for \$483,200. Phase II will provide 70% roadway design, right-of-way plans, and an environmental evaluation. The negotiated estimate for this phase is \$982,618. Phase III will be negotiated at a future date and will conclude the design effort with final design and plans, specifications, and estimates delivery by September 2018. The total for all phases is expected to exceed \$1,000,000.

2) Revisions to Administrative Policy 5532 Commercial Driver’s License Requirement. Staff requests concurrence with revisions to the referenced administrative policy. The revisions are based on business requirements and challenges in recruiting employees holding the required Commercial Driver’s License.

3) FY19 Program Additions – District 6 Fog Seal and Mill and Inlay. Staff requests the addition of two new projects to FY19 of the ITIP. The 161-mile Fog Seal project is programmed at \$1,650,000 and the 30-mile Mill and Inlay project is programmed at \$5,170,000. Funding for these projects will be from District 6 Sealcoat projects that were cancelled and from recent bid savings.

4) Contract with CH2M Hill for Funds up to \$1.8 Million. Staff requests approval to exceed the \$1 million consultant contract with CH2M Hill. The consultant was selected to perform environmental and permitting services for four projects on US-20: Chester to Ashton, key #20053 for \$12 million; Sheep Falls to Pine Haven Passing Lanes, key #20581 for \$8 million; Pine Haven to Buffalo River Bridge, key #20486 for \$20 million; and Buffalo River Bridge to Island Park Lodge, key #20435 for \$16 million. Staff’s goal is to accelerate development of these projects in years 5, 6, and 7 of the ITIP to help create stability in the

program and provide flexibility with funding roadway improvements. An economy of scale can be realized by combining the four projects into one for this work.

5) FY17 Annual Report. Staff requests the approval of the FY17 Annual Report, which is required by Idaho Code.

Informational Items. 1) State FY18 Financial Statements. Revenues to the State Highway Account from all sources were ahead of projections by 3.2% at the end of August. Of that total, receipts from the Highway Distribution Account were 2.7% or \$915,000 more than forecast. State revenues to the State Aeronautics Fund were ahead of projections by 28%, or \$116,000. Expenditures were within planned budgets. Personnel costs had savings of \$3.3 million or 16% due to reserves for horizontal career path increases, vacancies, and timing between a position becoming vacant and being filled. Contract construction cash expenditures of \$94.2 million for August exceeded any from the past three years.

The balance of the long term investments was \$162.8 million at the end of August. These funds are obligated against construction projects and encumbrances. The long term investments plus the cash balance of \$99.2 million was \$10 million less than the end of June. Expenditures in the Strategic Initiatives Program Fund for the month of August were \$3.7 million. Deposits into the new Transportation Expansion and Congestion Mitigation Fund were \$2.8 million.

2) Monthly Reporting of Federal Formula Program Funding through September. Idaho closed out the FY17 federal fiscal year. The total obligation authority was \$294.5 million including Redistribution of Obligation Authority Not Used by Other States. This corresponds to \$295.1 million with match after a reduction for prorated indirect costs. Apportionments were \$295.1 million, and obligation authority was 99.8% of apportionments. All of the federal formula obligation authority was used.

3) Non-Construction Professional Service Contracts Issued by Business and Support Management (BSM). The BSM Section did not process any professional service agreements in September.

4) Contract Awards and Advertisements. Key #19133 – I-90, Kingston Interchange #43, Shoshone County, District 1. Low bidder: Concrete Placing Company Inc. - \$7,587,000.

Key #20302 – SH-53, Intersection North Hollister Road, District 1. Low bidder: Knife River Corporation – NW - \$393,608.

Key #19640 – SH-3, Top of Bear Ridge Grade to Pine Creek, District 2. Low bidder: Knife River Corporation – NW - \$3,286,000.

Key #20255 – SH-46, Camas County Line to Junction US-20, District 4. Low bidder: Knife River Corporation – NW - \$2,198,000.

Key #20151 – US-26, Gooding to Shoshone, District 4. Low bidder: Kloepfer Inc. - \$451,907.

Keys #14000 and #14001 – US-26, Peoples Canal Bridge Milepost 300.7, District 5. Low bidder: Cannon Builders Inc. - \$1,493,767.

Key #18819 – SH-39, Idaho Street to Gambell Road, District 5. Low bidder: Depatco Inc. - \$2,852,889.

Key #20289 – Guardrail and Signage Wendell Highway District, District 4. Low bidder: Railco LLC - \$50,050.

Key #20291 – Washington Street and Falls Avenue, Twin Falls, District 4. Low bidder: Electric 1 West Inc. - \$419,947.

The list of projects currently being advertised was provided.

5) Professional Services Agreements and Term Agreement Work Tasks Report. From September 1 through September 22, 27 new professional services agreements and work tasks were processed, totaling \$7,129,238. Six supplemental agreements to existing professional services agreements were processed during this period in the amount of \$77,400.

6) Sponsorship of Department Programs. There are no sponsorship agreements at this time.

Director's Report. Director Ness announced that Kim McGourty has been selected as the Public Transportation Manager. Ms. McGourty was previously a grants/contracts officer in the Public Transportation Office. He commended the Division of Motor Vehicles for staffing a booth at the fair, focusing on promoting organ donations, encouraging motorists to keep addresses up-to-date, and providing education on the REAL ID Program. Idahoans will have the option of obtaining a REAL ID compliant driver's license starting in January 2018. He recognized other employees for innovations, excellent customer service, and delivering 99% of the FY18 highway project plans, specifications, and estimates (PS&E) on time, and announced that the US-20, Thornton Interchange project won the American Association of State Highway and Transportation Officials' Presidents Award and People's Choice Award.

Chief Deputy Stokes introduced Neal Murphy, the new Emergency Preparedness Manager.

Chief Operations Officer (COO) Travis McGrath also commended staff for delivering 78 of the 79 FY18 project PS&E packages on time. This was partly accomplished due to a focused, statewide effort. He also has an initiative underway to better utilize and leverage resources statewide. This should result in improved employee engagement, more development opportunities, and increased efficiency.

Vice Chairman Gagner congratulated COO McGrath and his employees for achieving the 99% delivery measure. Member Vassar commended his efforts to better utilize employees and their expertise.

Safety Messaging. Highway Safety Manager (HSM) John Tomlinson said the Office of Highway Safety launched a research project on distracted driving. The project builds on the work done earlier on positive community norms and impaired driving. The intent is to create positive messages that will get people to change their behavior, starting with engaged driving.

Bill Kotowski from the Office of Communication elaborated on the positive culture framework. Toolkits are being developed for businesses to encourage their employees to drive safely. Brian Cottier with the consulting firm SOVRN elaborated on the Shift brand: to encourage Idahoans to shift to engaged driving. He presented three videos with Idaho personas that have been created to encourage motorists to drive engaged.

In response to a question from Member Coleman, HSM Tomlinson said the Department will continue to be active in the Towards Zero Deaths goal; however, Shift will be incorporated into the various mobilizations and campaigns to promote highway safety. The intent is to continue using the Shift brand to encourage other positive behaviors, such as seatbelt use.

Ken Corder, Highway Safety Grants Officer, reported on the outreach plans for Shift, including television and radio advertisements, social media, emails, and the website. The Department will utilize its valuable partners and intends to create new partnerships to get this message to all Idahoans, including through businesses, churches, schools, and community service groups.

The board commended the group for the presentation and its efforts.

FY17 District Infrastructure End-of-Year Statement and Program Revisions. Randy Gill, Planning Services Manager (PSM), said the Districts delivered 122 infrastructure projects totaling \$316.5 million in FY17. Ten projects were delayed for various reasons, such as environmental or right-of-way issues. Earlier this year, the Board added two years to the ITIP to help stabilize the Program. Staff would like to use consultants to help get these projects ready.

Vice Chairman Gagner made a motion and seconded by Member DeLorenzo to approve the following resolution:

RES. NO.      WHEREAS, the Idaho Transportation Board is authorized to expend funds  
ITB17-47      appropriated for construction, maintenance, and improvement of state highways;  
and

WHEREAS, it is in the public's interest for the Idaho Transportation Department to publish and accomplish a current, realistic, and fiscally constrained five-year Idaho Transportation Investment Program; and

WHEREAS, it is the intent of the Board to effectively utilize all available federal, state, local, and private capital investment funding; and

WHEREAS, with the extension of the Idaho Transportation Investment Program staff committed to having projects in the last three years of the program, totaling \$150 million, ready to advance if needed within two years.

*NOW THEREFORE BE IT RESOLVED*, that the detailed list of projects shown in exhibit B, as shown as Exhibit #488, which is made a part hereof with like effect, will be increased in FY18 at a cost of \$4.4 million for the development of the FY21 through FY24 program year projects and that the construction costs will be increased \$1.7 million for the two FY18 and FY19 program year projects; and

*BE IT FURTHER RESOLVED*, that the Board approves the staff request that the multiple cost adjustments be made to the Approved FY18 – 24 Idaho Transportation Investment Program.

In response to Member Vassar's question, PSM Gill confirmed that this utilization of consultants is in line with the target of 20-30% consultant use for project development. Chairman Whitehead cautioned that ITD's staff should get design experience and should work on desirable projects. PSM Gill concurred and said discussions have been held to that effect.

The motion passed unopposed.

Chairman Whitehead thanked PSM Gill for the presentation.

Contribution Agreement for Northgate Interchange, Key #20314. District 5 Engineer (DE) Ed Bala summarized the partnership with Millennial Development, the City of Chubbuck, the City of Pocatello, Bannock County, Pocatello Development Authority, and ITD to construct a new I-15 Interchange at Siphon Road and other related projects. The original agreement required Pocatello, Bannock County, and the Pocatello Development Authority to fund and construct connecting roads on the east side of the interchange at an estimated cost of \$4 million, and the developer was to contribute \$3.4 million for the construction of the interchange. DE Bala requested revisions to the agreement to reverse those parties' roles, with the developer funding and constructing the connecting infrastructure and the local governments contributing \$3.4 million for the construction of the interchange. This change should not impact ITD.

Chairman Whitehead recommended revisiting this issue after the executive session. (See later minute entry.)

Executive Session on Personnel and Legal Issues. Member Coleman made a motion to meet in executive session at 11:25 AM to discuss personnel and legal issues as authorized in Idaho Code Section 74-206 (b), (c), and (f). Member Horsch seconded the motion and it passed 6-0 by individual roll call vote.

The discussion on personnel matters related to the filling of public offices.

The discussions on legal matters related to operations and a condemnation.

The Board came out of executive session at 2:00 PM.

Contribution Agreement for Northgate Interchange (Revisited). Member Coleman made a motion, seconded by Member Vassar, and passed unopposed, to approve the following resolution:

RES. NO. WHEREAS, the Idaho Transportation Board supports the Idaho Transportation  
ITB17-48 Department mission of safety, mobility, and economic opportunity. In that context  
the Department has been invited to become part of a public private partnership to  
construct a new interchange on Interstate 15 at Siphon Road; and

WHEREAS, the Board, at the March 16, 2017 Board meeting expressed support  
for the partnership, and requested clarifications and revisions to the partnership  
agreement; and

WHEREAS, the Board, at the May 18, 2017 Board meeting and the May 31, 2017  
Special Board meeting expressed support for the partnership, and requested  
clarifications and revisions to the partnership agreement; and

WHEREAS, Director Ness signed the partnership agreement on August 17, 2017;  
and

WHEREAS, the partners have requested revisions and clarifications to the August  
17 agreement; and

WHEREAS, ITD legal counsel has reviewed the agreement.

*NOW THEREFORE BE IT RESOLVED*, that the Board authorizes ITD  
participation in the partnership agreement, contingent upon successful completion  
of connecting infrastructure and other concerns.

Vice Chairman Gagner commended DE Bala for his exemplary efforts to bring this  
valuable public private partnership to fruition.

Safety and Capacity Policy. Senior Transportation Planner Ken Kanownik summarized  
the proposed changes to Board Policy 4079 and Administrative Policy 5079 Safety and Capacity.  
Renaming the policy from Strategic Initiatives Program provides an umbrella policy for various  
funding sources, including TECM, the Strategic Initiatives Program Fund, and the Rail Crossing  
Program. The policy also addresses the eligible children pedestrian safety projects that were  
allowed in House Bill 334. A data-driven approach will continue to be used for project selection  
and prioritization. Some of the other changes include updating the legal authority and defining  
congestion mitigation corridors.

Member Kempton requested holding the policy for a 30-day review period. The  
consensus of the Board was to hold the policy until the November meeting.

GARVEE Bond Refinance Update. Controller Tolman reported that the Department, in  
conjunction with the Idaho Housing and Finance Association and Citigroup, completed the  
refinancing of \$101 million of the outstanding callable GARVEE bonds. The refinancing should  
result in a total savings of approximately \$13.1 million.

The Board commended Controller Tolman for his exemplary oversight of the GARVEE  
Program finances.

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Best of the Best Innovate ITD! Recognitions. Chief Administrative Officer Char McArthur reported that employee participation in the Innovate program increased from 5.3% when it was first launched towards the end of FY14 to 41.5% in FY17. The 327 FY17 innovations led to a savings of 115,936 hours and \$3,396,000. She recognized employees for submitting the best innovations in seven categories: safety, mobility, economic opportunity, cost savings, time savings, customer service, and employee development.

Chairman Whitehead congratulated the employees and thanked them for their innovations, resulting in savings and efficiencies.

WHEREUPON, the Idaho Transportation Board's regular monthly meeting officially adjourned at 2:50 PM.

signed

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JERRY WHITEHEAD, Chairman  
Idaho Transportation Board

Read and Approved  
November 16, 2017  
Boise, Idaho

October 12, 2017